



Congressman

**Wally
Herger**

Reports from Washington



108th Congress - First Session

Volume Three

Dear Friends:

I would like to thank all who returned the questionnaire printed in my last report. Your input helps me better represent you in Congress. After all, the best ideas about running our government come from the people, not Washington.

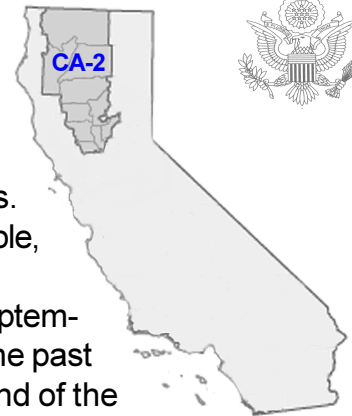
It has been more than two years since the terrorist attacks on September 11, and the road to recovery has been long and challenging. For the past two years our economy has experienced positive growth. With the end of the recession in late 2001, the American economy has shown itself to be resilient, and is now on the rebound. Thanks to President Bush's tax relief and jobs growth programs, we are witnessing business expansion and job creation. But there is still much more to do.

As we prosecute the war on terrorism, our nation must remember that our victories to date have come at great cost. Many of our loved ones are now beginning to return home from service abroad. Some of our bravest will never return. In Iraq and Afghanistan, American soldiers have given their lives to defend our nation against terrorists by striking and removing the regimes that harbored them. As these nations rebuild from years of oppression and neglect, we must remain fully committed to aiding the newly liberated people, seeing to it that their countries are not allowed to become terrorist breeding grounds.

At home, Congress' legislative schedule has been ambitious. In the past few months we have voted on a senior prescription drug plan, a bill to encourage more charitable giving, a veterans benefits expansion, and an emergency wartime spending bill. In addition, Congress continues to work to finish the annual spending process. During this time it is imperative that we remain committed to fiscal discipline. Necessary spending for the war on terrorism is no excuse for fiscal mismanagement. Congress has a responsibility to hold back wasteful spending.

As a mainstay of our northern California economy, it is essential that we do everything possible to promote fair trade and a level playing field for our farmers. This starts with reducing trade-distorting foreign subsidies. Because of this, in early September I attended the World Trade Organization's negotiations to advocate an end to unfair foreign trade practices.

As always, your input is valuable to me as I seek to better represent the interests of northern California in Washington. If you have a moment, please feel free to visit my web site on the Internet at <http://www.house.gov/herger/>.



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Sincerely,

Wally
WALLY HERGER
Member of Congress

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Dollars and Sense



Earlier this year, President Bush signed into law the Jobs and Growth Tax Relief Act of 2003. As a member of the House tax-writing Ways and Means Committee, I was hon-

ored to help craft a bill that will help families by accelerating the elimination of the marriage tax penalty, increasing the child tax credit and speeding up the reduction of the income tax brackets. In all, the law will save taxpayers \$60 billion this year, \$350 billion over the next ten years. These dollars are destined for new private investment and consumer spending, rather than Washington's coffers. As a result of this tax relief, Americans will be able to keep more of their hard-earned dollars, contributing to job creation and stronger businesses, instead of bigger government and increasing bureaucracy.

By many measures, the tax relief bills passed by Congress in each of the past three years are having a significant positive effect on our economy. The most recent economic growth statistics for this year show the American economy growing by more than 3 percent. Economic forecasts for next year anticipate growth of at least 4 percent, with some estimates as high as nearly 5 percent. This compares to the sluggish one percent growth of late last year. Economists tell us that these positive growth statistics are a strong signal that robust job growth is just around the corner.

Other economic indicators provide additional reasons for optimism. Personal income and consumer spending have been increasing, largely as a result of the new tax relief. Consumer confidence is increasing. Business investment - a key component of a strong economy - is up by more than 8 percent over last year. The stock markets continue to rally. The Dow Jones Industrial Average is up 14 percent this year while the S&P 500 has increased 16 percent. The Nasdaq has gained roughly 70 percent since October 2002. In fact, more than \$1 trillion of stock market wealth has been created in the 6 months since the tax relief measure was signed into law.

A strong housing market continues to help Americans to build equity and savings. New housing starts are at a 17-year high and home sales have set new records this year. In addition, historically low interest rates have allowed millions of Americans to refinance their home.



Legislative Update



Congressman Herger

Supports the House and Senate Approved Concurrent Receipt Plan - provides full receipt of veteran disability and military retirement pay to all military retirees with Purple Heart or combat-related disabilities, including National Guardsmen and Reservists. Also provides concurrent receipt for the most severely disabled military retirees (50% disability rating and above), to be phased in over 10 years.

Cosponsored H.R. 3182, the "Adoption Promotion Act of 2003," - helps to promote the adoption of older children, who often have a more difficult time being adopted than infants and young children. (Passed in House, Pending in Senate)

Voted for H.R. 4, the "Securing America's Future Energy Act" - proposes a comprehensive national energy policy to increase energy production and reduce U.S. dependence on foreign sources of oil. (Pending Final Approval)

Coauthored H.R. 4, the "Personal Responsibility, Work, and Family Promotion Act of 2003" - proposes updates to the successful 1996 welfare reform law. Promotes independence through strengthened time limits and work requirements. (Passed in House, Pending in Senate)

America's economy continues to recover from the terrorist atrocities committed against our nation over two years ago. Slowly but surely, despite a war and the threat of new terrorist attacks, America's economic recovery is gathering steam. Important economic indicators paint a picture of stronger economic growth, increasing consumer confidence, and higher productivity. While too many Northern Californians continue to struggle to make ends meet, there is good reason for optimism. Our nation is weathering a rough storm, both at home and abroad. But we are stronger for it, and poised for recovery.

Government cannot create jobs or increase personal wealth. These are the attributes of a free and open economy. Sound fiscal and tax policies can, however, make it easier for Americans to save, spend, and invest - ultimately fostering economic growth and new jobs. In Congress, I will continue to fight for common-sense tax policies, which will lower the burden facing families and make it easier for Americans to achieve their dreams.

Congressman Herger speaks at Beale Air Force Base's annual Tops in Blue event, honoring airmen returning home to northern California. Squadrons from Beale have recently been deployed in Operation Enduring Freedom and elsewhere in support of the War on Terrorism.



Congressman Herger discusses the importance of good forest management with rancher John Jenner during the recent Woods Tour of northern California's Klamath National Forest.

How to Support Our Troops!

Do you have a loved one serving abroad in defense of freedom? If so, you know the value of supporting our young men and women in uniform through letters, care packages, and phone calls. In addition, there are many charitable groups established to help family members and donors reach out to the brave soldiers, sailors, airmen and Marines of our armed forces, even when we may not know where exactly to send help.

For more information, log on to http://www.defendamerica.mil/support_troops.html on the Internet, or feel free to contact my office directly at (530) 893-8363.

2003 Questionnaire Results

Thousands of northern Californians responded to the issues survey printed in the last "Reports from Washington." I want to thank each of you that responded. Your input is very important in determining how I can better represent you in Congress. I have reprinted the questions and the results of this year's survey below.

1. Does our failure to turn up Saddam Hussein's weapons of mass destruction cause you to question America's actions in Operation Iraqi Freedom?

Yes 33.6% No 60% Undecided 6.4%
2. According to the non-partisan Congressional Research Service, the United Nations regularly requests the United States pay in excess of 25% of its operating budget, including the amount given to support U.N. peacekeeping missions. Do you believe this is a valuable use of U.S. taxpayer dollars?

Yes 24.4% No 60.8% Undecided 14.8%
3. Congress recently enacted a Medicare modernization bill with a voluntary prescription drug benefit available to all Medicare beneficiaries. Are you comfortable with Medicare providing options through private plans, much like the system for federal employees and Congressmen?

Yes 42.8% No 23.6% Undecided 33.6%
4. As you see it, will the tax relief measures passed into law in 2001 and earlier this year have a positive effect on America's economic recovery?

Yes 45.6% No 36% Undecided 18.4%

5. Do you support the deployment of U.S. soldiers for peacekeeping in the African nation of Liberia?

Yes 25.6% No 50.8% Undecided 23.6%
6. Are your local, state, and federal governments doing enough to combat terrorism and ensure homeland security?

Yes 42.8% No 20% Undecided 37.2%
7. Do you support the provisions of the 2001 USA Patriot Act that grant federal law enforcement expanded powers to investigate and apprehend terrorists operating within the United States?

Yes 63.6% No 23.6% Undecided 12.8%
8. Given California's predicted water crisis in the near future, due to dramatic increases in population, would you support more water storage facilities in northern California, such as the Sites reservoir, a Yuba Dam, and/or raising the level of the Shasta Dam?

Yes 72% No 16.4% Undecided 11.6%
9. Would you support easing environmental regulations to allow forest thinning in areas that have been designated at high risk to catastrophic wildfires?

Yes 80.8% No 14.8% Undecided 4.4%
10. On the whole, do you believe President George W. Bush is doing a good job?

Yes 60.8% No 32.4% Undecided 6.8%
11. On the whole, do you believe Congress is doing a good job?

Yes 16.8% No 58% Undecided 25.2%

Iraq and the War on Terrorism



Operation Iraqi Freedom has been an enormous success. Our armed forces moved farther and faster than any military in history, washing over Baghdad and expelling the tyrannical regime of Saddam Hussein. Ultimately, the Iraqi liberation was in the security interests of the American people, the Iraqi people, and the world.

However, the story in the media is abundantly negative, causing many to ask, what is actually happening over there? Despite what we may hear on the evening news, there are many positive developments, and Iraq is slowly getting back on its feet. In truth, because of our action, Iraq is steadily transforming into a functioning and successful society. Hospitals are up and running. Schools have reopened. Iraqis are taking advantage of their new freedom of speech, buying and selling the hundreds of newspapers, journals and books that can now be found for sale. Dilapidated water treatment facilities are being modernized, electricity is being restored. About 85% of Iraqi towns have elected or appointed local governing councils to discuss matters such as the economy, jobs and education. In addition, 85,000 coalition-trained Iraqi citizens now make up the second largest military force in Iraq behind the U.S.

Moreover, the newly liberated Iraqis are free from the fear and sadness that plagued their lives during three decades of Saddam's barbaric rule. As it becomes more evident to the people that Hussein is not returning, they

become more willing to volunteer information about the whereabouts of terrorists and former Baathists. Sadly, these successes are all too frequently omitted from mainstream media reports.

Indeed, the vast majority of post-war territorial Iraq is relatively calm and glad to be free. In regions like Kirkuk, where the U.S. Army's 173rd Airborne Brigade is deployed, soldiers, ethnic Kurds and Arabs are working to restore civil society in the wake of Hussein's oppressive government. As in the north, most citizens of the southern city of Basrah cherish their liberation from Saddam Hussein.

Iraq has made great strides toward recovery. But the mission is not yet complete. In the region surrounding Baghdad known as the "Sunni Triangle," American soldiers encounter hostile situations on a daily basis. Opposition comes from former Saddam loyalists, hoping to bring about his return. Others are terrorists who seek to open a new front in their war against America by attacking our troops and innocent Iraqi citizens.

By ensuring freedom in Iraq, the terrorists will have lost another stronghold. Iraq will become a catalyst for peace and freedom in the Middle East. As a result, the entire world will be more secure. But it will take time and money to finish the job in Iraq. For this reason, President Bush requested funding to rebuild the nation's crumbling infrastructure and provide for the continued American military presence. Congress has answered in kind by approving an emergency wartime supplemental spending bill.

Since September 11, 2001 no major terrorist attack has occurred within our borders. However, this is not to say our country is immune from assault. In the course of the war on terrorism, we have liberated two nations and 50 million people once enslaved by terrorist regimes. America is fully committed to this vital endeavor, because, while substantial, the cost of victory in Iraq is small compared to the cost of another September 11.



Congressman Herger meets with preschoolers and teachers during a visit to the Tehama County Department of Education. During his visit Congressman Herger is thanked for his assistance in obtaining education funding for rural schools.

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Economic Recovery Update!